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Village of Bienville
Bienville, Louisiana

Annual Financial Statements
As of June 30, 2006 and for the Year Then Ended

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-24-07

Village of Bienville
Annual Financial Statements
As of and for the Year Ended June 30, 2006
With Supplemental Information Schedules

CONTENTS

	Statement	Page
Required Supplemental Information (Part I)		
Management's Discussion and Analysis		1
Independent Auditor's Report		6
 <u>Basic Financial Statements</u>		
Government-Wide Financial Statements:		
Statement of Net Assets	A	7
Statement of Activities	B	8
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	9
Reconciliation of the Government Funds Balance Sheet to The Government-Wide Financial Statement of Net Assets	D	10
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	11
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	12
Proprietary Funds:		
Statement of Net Assets	G	13
Statement of Revenues, Expenses, and Changes in Fund Net Assets	H	14
Statement of Cash Flows	I	15

Table of Contents (Contd.)
Village of Bienville, Louisiana

	Schedule	Page
Notes to the Financial Statements		16
Required Supplemental Information (Part II)		
Budget Comparison Schedules	1	26
Notes to Budget Comparison Schedules		
<u>Other Supplemental Schedules</u>		
Schedule of Compensation Paid Elected Officials	2	28
<u>Other Reports</u>		
Report on Compliance and Other Matters and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		30
Current Year Findings and Recommendations	3	32
Status of Prior Audit Findings	4	34
Correction Action Plan		35

Village of Bienville, Louisiana
Management Discussion and Analysis
June 30, 2006

The management of the Village of Bienville, Louisiana offers readers of the Village of Bienville, Louisiana's (Village) financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2006. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the Village's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of Village finances. It is also intended to provide readers with an analysis of the Village's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Village. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Village's financial activity, identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government issued June 2001. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements themselves.

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Assets and Statement of Activities, which seek to give the user of the financial statements a broad overview of the Village's financial position and results of operations in a manner similar to private sector businesses.

The statement of net assets presents information on all of the Village's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or weakening. The statement of activities presents information which shows how the government's net assets changed during this fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes).

Village of Bienville, Louisiana
Management Discussion and Analysis
June 30, 2006

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police department. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the Water and Sewer Departments.

Government-wide Financial Analysis

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Village's assets exceeded its liabilities by \$480,197 (net assets); this represents an increase of \$23,348 from the last fiscal year. Of this total net asset amount, \$286,745 is unrestricted net assets. The Village's net assets are comprised of \$427,469 from governmental activities and \$52,728 from business-type activities.

The following is a condensed statement of the Village of Bienville's net assets as of June 30, 2006:

	Governmental-Type Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets						
Current & Other Assets	\$267,810	\$251,361	\$25,786	\$22,868	\$293,596	\$274,229
Capital Assets (net)	160,921	18,594	32,531	35,715	193,452	54,309
Total Assets	<u>\$428,731</u>	<u>\$269,955</u>	<u>\$58,317</u>	<u>\$58,583</u>	<u>\$487,048</u>	<u>\$328,538</u>
Liabilities						
Other Liabilities	\$1,262	\$16,250	\$5,589	\$5,439	\$6,851	\$21,689
Total Liabilities	<u>1,262</u>	<u>16,250</u>	<u>5,589</u>	<u>5,439</u>	<u>6,851</u>	<u>21,689</u>
Net Assets						
Invested in capital assets, net	160,921	168,594	32,531	35,715	193,452	204,309
Unrestricted	266,548	235,111	20,197	17,429	286,745	252,540
Total Net Assets	<u>\$427,469</u>	<u>\$403,705</u>	<u>\$52,728</u>	<u>\$53,144</u>	<u>\$480,197</u>	<u>\$456,849</u>

The Village's net assets includes \$193,452 reflected in its investment in capital assets (e.g. land, buildings, machinery and equipment, Village infrastructure, etc.). The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining balance of \$286,745 is unrestricted net assets, which may be used to meet the government's on-going obligations to citizens and creditors.

The Village has total outstanding debt of \$6,851, which are equal to 1% of the total net assets.

Village of Bienville, Louisiana
Management Discussion and Analysis
June 30, 2006

The following is a summary of the statement of activities:

	Governmental-Type Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<u>Revenue</u>						
Program Revenue	0	0	\$14,554	\$15,707	\$14,554	\$15,707
General Revenue & Transfers	\$59,849	\$50,597	7,100	6,640	66,949	57,697
Total Revenue	<u>59,849</u>	<u>50,597</u>	<u>21,654</u>	<u>22,347</u>	<u>81,503</u>	<u>73,404</u>
<u>Expenses</u>						
General & Administrative	36,085	46,263	0	0	36,085	46,263
Water Utilities	0	0	22,070	25,268	22,070	22,070
Total Expenses	<u>36,085</u>	<u>46,263</u>	<u>22,070</u>	<u>25,268</u>	<u>58,155</u>	<u>68,333</u>
Increase (Decrease) in Net Assets	23,764	4,334	(416)	(2,921)	23,348	3,918
Net Assets, June 30, 2004	<u>403,705</u>	<u>399,371</u>	<u>53,144</u>	<u>56,065</u>	<u>456,849</u>	<u>452,515</u>
Net Assets, June 30, 2005	<u>\$427,469</u>	<u>\$403,705</u>	<u>\$52,728</u>	<u>\$53,144</u>	<u>\$480,197</u>	<u>\$456,433</u>

Governmental Activities

The governmental activities of the Village include General Government. In that revenues normally associated with municipal operations, (e.g. property tax, franchise fees, license fees, fines, and operating grants) are sufficient for the funding of these activities.

Business-type Activities

The business-type activities of the Village are those that charge a fee to customers for the services provided. The Village has one business-type activity, which are accounted for in an enterprise fund. The Village uses the enterprise fund to account for the revenues and expenses related to the provision of water services.

The following is a summary of the business-type activity of the Village:

	<u>Operating Revenues</u>
	<u>Net of Purchases</u>
	<u>Water</u>
Fiscal year ended June 30, 2005	\$15,708
Fiscal year ended June 30, 2006	<u>14,554</u>
Increase (decrease) between years	<u>(\$1,154)</u>
	<u>Operating Expenses</u>
	<u>Water</u>
Fiscal year ended June 30, 2005	\$25,269
Fiscal year ended June 30, 2006	<u>22,070</u>
Increase (decrease) between years	<u>(\$3,199)</u>

Village of Bienville, Louisiana
Management Discussion and Analysis
June 30, 2006

	Net Income (Loss) From Operations <u>Water</u>
Fiscal year ended June 30, 2005	(\$9,561)
Fiscal year ended June 30, 2006	<u>(7,516)</u>
Increase (decrease) between years	<u><u>\$2,045</u></u>

Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the Village's most significant funds - not the Village as a whole. Funds are accounting devices that the Village uses to keep track of specific sources of funding and spending for a particular purpose.

The Village currently maintains one individual governmental fund type. The fund type includes the General Fund only. Information is presented separately in the Governmental Funds Balance Sheet (Statement C) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statements E) for the General Fund which is considered to be major fund.

The Village adopts an annual budget for the General Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplemental Information Schedule 1), which compares actual revenues and expenditures to the original budget and amended budget figures.

Financial Analysis of the Village's Governmental Fund

The Village of Bienville's governmental fund (General Fund) reported an ending fund balance of \$266,548, which is an increase of \$31,437. The entire ending fund balance is unreserved.

Fund Financial Statements - Proprietary Funds

The Village maintains one proprietary fund. Proprietary fund is used to report the same functions as business-type activities. The Village uses an enterprise fund (the first type of proprietary fund) to account for its Water Operations. These enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

Financial Analysis of the Village's Proprietary Fund

The Village's proprietary fund show a decrease in ending retained earnings of \$416. The 2006 operating loss of the Water Department represents a decrease in loss of \$2,505 from fiscal year 2005.

Village of Bienville, Louisiana
Management Discussion and Analysis
June 30, 2006

In that financial statements of enterprise fund are presented on the same basis of accounting as in both the governmental-wide financial statements and the individual fund statements. All comments and analysis made under business-type activities apply to these funds.

General Fund Budgetary Highlights

The Village did not amend their original General Fund budget during the course of the year.

The actual excess of revenue for the current fiscal year was sufficient to meet all expenditures. The final budget and the actual results differ by a positive position of \$12,379.

Capital Asset and Debt Administration

The total investment in net capital assets as of June 30, 2006 is \$193,452.

There were no new major capital assets purchased or constructed in fiscal 2006 for governmental activities.

Current Financial Factors

There are no major changes within the Village's normal operations.

Requests for Information

This financial report is designed to provide a general overview of the Village of Bienville's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town Hall, P. O. Box 200, Bienville, Louisiana 71028.

EDWARDS, WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA / Society of LCPA's

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Bienville, as of and for the year ended June 30, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Bienville's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Bienville, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 18, 2006, on our consideration of the Village's internal control over financial reporting and our tests of its compliance and other matters with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on pages 1 through 6 and 25 through 28 a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Bienville's basic financial statements. The accompanying supplementary information, as referenced in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Edwards, Wade & Perry
Ruston, Louisiana
October 18, 2006

Village of Bienville, Louisiana
Statement of Net Assets
June 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash investments	\$233,598	\$45,111	\$278,709
Receivables	3,169	5,960	9,129
Internal balances	30,275	(30,275)	0
Prepaid assets	768		768
Restricted assets		4,990	4,990
Capital assets (net)	160,921	32,531	193,452
TOTAL ASSETS	\$428,731	\$58,317	\$487,048
LIABILITIES			
Accounts, salaries, and other payables	\$1,262	\$599	\$1,861
Customer deposits		4,990	4,990
TOTAL LIABILITIES	1,262	5,589	6,851
NET ASSETS			
Invested in capital assets, net of related debt	160,921	32,531	193,452
Unrestricted	266,548	20,197	286,745
TOTAL NET ASSETS	\$427,469	\$52,728	\$480,197

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana
Statement of Activities
Year Ended June 30, 2006

	Program Revenues		Net (Expenses) Revenues and		
	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities
Expenses					Total
Governmental Activities:					
General government	\$36,085			(\$36,085)	(\$36,085)
Total governmental activities	36,085	0	0	(36,085)	(36,085)
Business-type activities					
Water utilities	22,070	14,554			(7,516)
Total business-type activities	22,070	14,554	0	0	(7,516)
Total primary government	\$58,155	\$14,554	\$0	(\$36,085)	(\$43,601)
General revenues:					
Ad valorem taxes				47,722	47,722
Other taxes				2,561	2,561
Intergovernmental revenues				35	35
Franchise fees				4,973	4,973
Investment earnings				3,112	4,310
Other general revenues				7,348	7,348
Transfers				(5,902)	0
Total general revenues and transfers				59,849	66,949
Change in Net Assets				23,764	23,348
Net assets - beginning				403,705	456,849
Net assets - ending				\$427,469	\$480,197

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana
 Balance Sheet, Governmental Funds
 June 30, 2006

	General Fund
ASSETS	
Cash and equivalents	\$233,598
Receivable	3,169
Due from other funds	30,275
Prepaid assets	<u>768</u>
TOTAL ASSETS	<u>\$267,810</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts, salaries, and other payables	<u>\$1,262</u>
Total liabilities	<u>1,262</u>
Fund balance - unreserved	<u>266,548</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$267,810</u>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana
Reconciliation of The Governmental Funds Balance Sheet
to The Government-Wide Financial Statement of Net Assets
June 30, 2006

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund balances, Total governmental funds (Statement C)	\$266,548
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Capital assets used in governmental activities are not financial resources and,
therefore, are not reported in the governmental funds.

Governmental capital assets	\$372,908	
Less accumulated depreciation	<u>(211,987)</u>	<u>160,921</u>
Net Assets of Governmental Activities (Statement A)		<u>\$427,469</u>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2006

	<u>General Fund</u>
REVENUES	
Taxes:	
Ad valorem	\$47,722
Other taxes, penalties, interest, etc.	2,561
Intergovernmental revenues - state funds - state revenue sharing	35
Franchise fees	4,973
Interest income	3,112
Other revenues	<u>7,348</u>
Total Revenues	65,751
EXPENDITURES	
General government	<u>28,412</u>
Total Expenditures	<u>28,412</u>
Excess (Deficiency) of Revenues over (under) Expenditures	37,339
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(5,902)</u>
Total Other Financing Sources (Uses)	<u>(5,902)</u>
Net Change in Fund Balance	31,437
Fund Balance - beginning	<u>235,111</u>
Fund Balance - ending	<u><u>\$266,548</u></u>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana
Reconciliation of The Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2006

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds (Statement E)	\$31,437
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Expenditures for capital assets	<u>(7,673)</u>
Change in Net Assets of Governmental Activities, Statement B	<u><u>\$23,764</u></u>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana
Statement of Net Assets, Proprietary Funds
June 30, 2006

		Business-Type Activities - Enterprise Fund	
		(Memo only)	
		2006	2005
ASSETS			
Current assets:			
Cash and cash investments		\$45,111	\$42,994
Receivables		5,960	5,309
Total current assets		51,071	48,303
Restricted assets:			
Cash and cash investments		4,990	4,840
Non-current assets:			
Capital assets (net of accumulated depreciation)		32,531	35,715
Total Non-current assets		32,531	35,715
TOTAL ASSETS		\$88,592	\$88,858
LIABILITIES			
Current Liabilities:			
Accounts, salaries, and other payables		\$599	\$599
Due to other funds		30,275	30,275
Total current liabilities		30,874	30,874
Current liabilities payable from restricted assets		4,990	4,840
Total liabilities		35,864	35,714
NET ASSETS			
Invested in capital assets, net of related debt		32,531	35,715
Unrestricted		20,197	17,429
TOTAL NET ASSETS		\$52,728	\$53,144

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2006

	Business-Type Activities - Enterprise Fund	
	(Memo only)	
	2006	2005
Operating Revenues		
Charges for services:		
Water sales	\$14,554	\$15,708
Total Operating Revenues	14,554	15,708
Operating Expenses		
Cost of sales and services	3,863	7,569
Administration	15,022	14,548
Depreciation	3,185	3,152
Total Operating Expenses	22,070	25,269
Operating income (loss)	(7,516)	(9,561)
Nonoperating revenue (expenses)		
Interest earnings	1,198	566
Interest expense	0	0
Total Nonoperating Revenue (Expenses)	1,198	566
Income before contributions and transfers	(6,318)	(8,995)
Capital contributions	0	0
Transfers in	5,902	6,074
Change in Net Assets	(416)	(2,921)
Total Net Assets - Beginning	53,144	56,065
Total Net Assets - Ending	\$52,728	\$53,144

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana
Statement of Cash Flows, Proprietary Funds
For the Year Ended June 30, 2006

	2006	(Memo only) 2005
Cash Flows from Operating Activities		
Receipts from customers and users	\$14,053	\$20,012
Receipts from other funds	0	1,264
Payments to suppliers	(10,689)	(19,140)
Payments to employees	(8,197)	(7,674)
Net Cash Provided by Operating Activities	<u>(4,833)</u>	<u>(5,538)</u>
Cash Flows from Noncapital Financing Activities		
Transfer to other funds	0	0
Advances from other funds	5,902	6,074
Net Cash Provided (Used) by Noncapital Financing Activities	<u>5,902</u>	<u>6,074</u>
Cash Flows from Capital and Related Financing Activities		
Capital contributions	0	0
Purchases of capital assets	0	(677)
Principal paid on capital debt	0	0
Interest paid on capital debt	0	0
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>0</u>	<u>(677)</u>
Cash Flows from Investing Activities		
Interest and dividends received	1,198	566
Net Cash Provided by Investing Activities	<u>1,198</u>	<u>566</u>
Net Increase in Cash and equivalents	2,267	425
Cash and equivalents, Beginning of Year	47,834	47,409
Cash and equivalents, End of Year	<u>\$50,101</u>	<u>\$47,834</u>
Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities		
Operating income	(\$7,517)	(\$9,561)
Depreciation expense	3,185	3,152
(Increase) decrease in accounts receivable	(651)	4,054
Increase (decrease) in customer deposits	150	250
Increase (decrease) in accounts payable	0	(4,697)
Increase (decrease) in due to other funds	0	1,264
Net Cash Provided by Operating Activities	<u>(\$4,833)</u>	<u>(\$5,538)</u>
Reconciliation of total cash and cash investments:		
Current assets - cash and cash investments	\$45,111	\$42,994
Restricted assets - cash and cash investments	4,990	4,840
Total cash and cash investments	<u>\$50,101</u>	<u>\$47,834</u>

The accompanying notes are an integral part of this statement.

Village of Bienville, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2006

INTRODUCTION

The Village of Bienville, Louisiana is located in the northern portion of Bienville Parish in north-central Louisiana. The Village was incorporated under the provisions of Louisiana Revised Statutes 33:52. The Village operates under a form of government consisting of an elected mayor and a board of aldermen, which has three elected members. The Village, with 2 employees, provides water facilities through the utility fund and general administrative services to its residents. The Village consists of approximately 316 citizens.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Village have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Village's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Village's activities, including infrastructure (if any).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Village of Bienville, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2006

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charge to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Village reports the following major proprietary funds:

The Water fund is to account for the provision of water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, but not limited to, administration, operations, maintenance, financing, and related debt service and billing.

Village of Bienville, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2006

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Village's investment policy allow the Village to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the Village are reported at fair value.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Village of Bienville, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2006

All trade and property tax receivables are shown net of an allowance for uncollectives. The Village calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

<u>Taxes due for:</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General government	13.73	13.73	6/30/07

The following are the principal taxpayers and related property tax revenue for the Village:

<u>Taxpayer</u>	<u>Type of business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad valorem Tax Revenue for Municipality</u>
Bear Creek	storage company	2,211,840	63.64%	\$30,369
El Paso Production	oil and gas production	385,360	11.09%	5,291
Total		<u>2,597,200</u>	<u>74.72%</u>	<u>\$35,660</u>

E. Restricted Assets

Restricted assets include cash and cash investments in the Proprietary funds which are restricted to their use. These restrictions are principally related to requirements of loan issues and utility meter deposits. It is the Village's policy to use restricted assets before unrestricted assets for their intended purposes.

F. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$250 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Buildings and improvements	33-50 years
Furniture and fixtures	10-20 years
Vehicles	5 years
Equipment	3-15 years

Village of Bienville, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2006

G. Compensated Absences

The Village has the following policy relating to vacation and sick leave:

Employees of the Village do not earn vacation or sick time. Therefore, no liability has been recorded.

H. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. There are no reservations or designations for the year ended June 30, 2006.

I. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented only for enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

K. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets. The following reconciles the fund balances of governmental funds to the government-wide statement of net assets.

Governmental capital assets	\$372,908
Less accumulated depreciation	<u>(211,987)</u>
Net adjustment	<u><u>\$160,921</u></u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities. The following reconciles the net changes in fund balance-total governmental funds to the changes in net assets of governmental activities.

Expenditures for capital assets	<u>\$0</u>
Net adjustment	<u><u>\$0</u></u>

Village of Bienville, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2006

L. RISK MANAGEMENT

The village is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Village maintains commercial insurance policies covering its vehicles, professional liability and surety bond coverage. No claims were paid on any of the policies which exceeded to policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2006.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGET INFORMATION The Village uses the following budget practices:

The Village adopted a budget for the year ended June 30, 2006 for the General fund. The Village follows the following procedures in establishing the budgetary data reflected in the financial statements. During the June meeting, the Village clerk submits to the board of aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and expenses and the means of financing them. During the June meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The Village clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the board of aldermen. Appropriations lapse at the end of the year. There were no amendments to the original budget.

3. CASH AND CASH EQUIVALENTS

At June 30, 2006, the Village has cash and cash equivalents (book balances) totaling \$283,693 as follows:

Demand deposits	\$89,289
Interest-bearing demand deposits	18,801
Time deposits	<u>175,603</u>
Total	<u>\$283,693</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2006, the Village has \$283,992 in deposits (collected bank balances). These deposits are secured from risk by \$154,120 of federal deposit insurance and \$116,074 of pledged securities held by the custodial bank in the name of the fiscal agent bank. (GASB Category 3). The remaining balances of \$13,798 is not secured by the pledge of securities and is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

Village of Bienville, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2006

4. INVESTMENTS

Investments include 3 certificates of deposit with maturities of 6 months that have been included in cash and equivalents in the basic financial statements. Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Village or its agent in the Village's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name;
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village's name.

At fiscal year-end, the Village's investments balances were as follows:

Type of investment	Category			Carrying amount			Total Carrying Amount
	1	2	3	Fair Value	Amortized Cost	Cost	
Certificates of deposits	\$175,603	\$0	\$0	\$175,603	\$0	\$0	\$175,603
Total investments	<u>\$175,603</u>	<u>\$0</u>	<u>\$0</u>	<u>\$175,603</u>	<u>\$0</u>	<u>\$0</u>	<u>\$175,603</u>

5. RECEIVABLES

The receivables of \$9,129 at June 30, 2006, are as follows:

Class of Receivable	General Fund	Water Fund	Total
Taxes:			
Ad valorem	\$1,789		\$1,789
Other	1,380		1,380
Accounts		5,960	5,960
Total	<u>\$3,169</u>	<u>\$5,960</u>	<u>\$9,129</u>

The Village's policy for bad debt accounting and write-offs is to send a letter to the occupant and owner after the due date. After 90 days, the utility line is sealed close. Reconnection fees must be paid to have service resumed.

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2006 is as follows:

Due To/From Other Funds:		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund		\$30,275
	Water fund	(30,275)
Total		<u>\$0</u>

Village of Bienville, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2006

The balances consist of allocations for insurance and accounting fees, payroll tax penalties and interest, and assisting the Water fund in the payoff of its note. The Village's management will determine an action to take in order to reduce the interfunds in approximately 2 years.

Advances From/To Other Funds:		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Water fund		\$5,902
	General fund	(5,902)
Total		<u>\$0</u>

The transfers consist of allocations for insurance and accounting fees.

7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2006, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$2,000			\$2,000
Construction in progress				0
Total capital assets not being depreciated	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
Capital assets being depreciated:				
Buildings	141,774			141,774
Improvements other than buildings	205,000			205,000
Machinery and equipment	24,134			24,134
Infrastructure	0			0
Total capital assets being depreciated	<u>370,908</u>	<u>0</u>	<u>0</u>	<u>370,908</u>
Less accumulated depreciation for:	<u>204,314</u>	<u>7,673</u>		<u>211,987</u>
Total capital assets being depreciated, net	<u>\$168,594</u>	<u>(\$7,673)</u>	<u>\$0</u>	<u>\$160,921</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$300			\$300
Total capital assets not being depreciated	<u>300</u>	<u>0</u>	<u>0</u>	<u>300</u>
Capital assets being depreciated:				
Buildings				0
Improvements other than buildings				0
Machinery and equipment	137,077			137,077
Total capital assets being depreciated	<u>137,077</u>	<u>0</u>	<u>0</u>	<u>137,077</u>

Village of Bienville, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2006

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less accumulated depreciation	<u>101,661</u>	<u>3,185</u>		<u>104,846</u>
Total business-type assets being depreciated, net	<u>\$35,716</u>	<u>(\$3,185)</u>	<u>\$0</u>	<u>\$32,531</u>

Depreciation expense of \$7,673 was charged to the governmental functions of general government :

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$1,861 at June 30, 2006, are as follows:

	<u>General Fund</u>	<u>Water Fund</u>	<u>Total</u>
Salaries	\$396		\$396
Accounts	<u>866</u>	<u>\$599</u>	<u>1,465</u>
Total	<u>\$1,262</u>	<u>\$599</u>	<u>\$1,861</u>

REQUIRED SUPPLEMENTAL INFORMATION

Village of Bienville, Louisiana
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>(Unfavorable)</u>
				<u>Variance</u>
REVENUES				
Taxes:				
Ad valorem	\$48,175	\$48,175	\$47,722	(\$453)
Other taxes, penalties, interest, etc.	0	0	2,561	2,561
Intergovernmental revenues:				
State funds - State revenue sharing	50	50	35	(15)
Franchise fees	4,947	4,947	4,973	26
Interest income	250	250	3,112	2,862
Other revenues	0	0	7,348	7,348
Total Revenues	53,422	53,422	65,751	12,329
EXPENDITURES				
General government:				
Payroll and payroll taxes	4,184	4,184	1,628	2,556
Per diem	1,590	1,590	1,680	(90)
Accounting & auditing	3,422	3,422	4,448	(1,026)
Office expense	1,105	1,105	876	229
Insurance	2,428	2,428	0	2,428
Utilities	9,464	9,464	8,915	549
Repairs and maintenance	1,435	1,435	3,515	(2,080)
Dues	157	157	2,806	(2,649)
Legal and professional	243	243	2,445	(2,202)
Rent - P.O. Box	90	90	75	15
Travel	542	542	341	201
Meals and entertainment	79	79	0	79
Telephone	0	0	1,190	(1,190)
Miscellaneous	50	50	343	(293)
Training	0	0	150	(150)
Total Expenditures	24,789	24,789	28,412	(3,623)
Excess (Deficiency) of Revenues over (under) Expenditures	28,633	28,633	37,339	94,605
OTHER FINANCING SOURCES (USES)				
Transfers out	0	0	(5,902)	(5,902)
Total Other Financing Sources (Uses)	0	0	(5,902)	(5,902)
Net Change in Fund Balance	28,633	28,633	31,437	2,804
Fund Balance (Deficit) at Beginning of Year	235,112	235,112	235,112	0
Fund Balance (Deficit) at End of Year	<u>\$263,745</u>	<u>\$263,745</u>	<u>\$266,549</u>	<u>\$2,804</u>

Notes to the Schedule

(1) method of budgetary accounting - GAAP

(2) explanation of material variances

Repairs & maintenance, dues, legal & professional, and telephone were main expenditures overlooked as needing amendments

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTAL SCHEDULES

Village of Bienville
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2006

Board Member	<u>Amount</u>
Dennis Boston, Mayor	\$600
William Wysinger	360
Dorothy Anderson	360
Effie Bruce	<u>360</u>
Total	<u>\$1,680</u>

The accompanying notes are an integral part of this statement.

OTHER REPORTS

EDWARDS, WADE & PERRY

Certified Public Accountants

A Professional Accounting Corporation

Members: AICPA / Society of LCPA's

REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mayor and Village Council
Village of Bienville
Bienville, Louisiana

We have audited the financial statements of the Village of Bienville as of and for the year ended June 30, 2006 and have issued our report thereon dated October 18, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Bienville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 06-1, 06-2, and 06-4.

Internal Control Over Financial Reporting

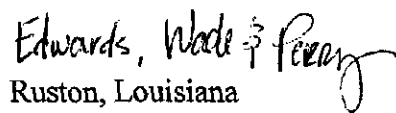
In planning and performing our audit, we considered Village of Bienville's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Village of Bienville's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 06-3.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described is a material weakness.

Because of a limited number of available personnel, it is not possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Our audit did not reveal any significant errors or irregularities resulting from this lack of segregation of employee duties and responsibilities.

This report is intended for the information and use of management and any interested federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Ruston, Louisiana
October 18, 2006

Village of Bienville
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2006

We have audited the financial statements of Village of Bienville as of and for the year ended June 30, 2006, and have issued our report thereon dated October 18, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of October 18, 2006 resulted in an unqualified opinion.

A. Summary of Audit Results

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable ☒ Yes ☐ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

2. Federal Awards

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable ☐ Yes ☒ No

Type of Opinion On Compliance	Unqualified <input checked="" type="checkbox"/>	Qualified <input type="checkbox"/>
For Major Programs	Disclaimer <input type="checkbox"/>	Adverse <input type="checkbox"/>

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?
☐ Yes ☒ No

3. Identification of Major Programs:

CFDA Number(s)

Name of Federal Program (or Cluster)

N/A

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? ☐ Yes ☒ No

B. Financial Statements Findings

- 06-1. For the year ended June 30, 2005 actual expenditures exceeded budgeted expenditures by \$3,623 or 15% (more than 5%) for the General fund. According to LRS 39:1310, failing to amend the budget when necessary is a violation of the local government budget act.

Recommendation: Village should monitor budget and actual figures monthly and amend as necessary.

Response: We will instruct our outside accountant to monitor our budget to actual data so that we can amend the budget as necessary.

- 06-2. The Village had delinquent property tax notices and water receivables that extend beyond the legal due dates.

Recommendation: We recommend the Village make sufficient effort to collect delinquent accounts receivables.

Response: The council will review the lists of unpaid property taxes and unpaid water bills and take effective collection action.

- 06-3. During the test of receipts for the Proprietary Fund, it was noted that the Village clerk has not paid her water bill. This is in violation of Article VII, Section 14 of the LA Constitution of 1974 since the nonpayment of the water bill constitutes a loan. The effect of this loan is the loss of operating revenue. The cause of this situation is the lack of compliance with the Village's cut off procedures.

Recommendation: Village comply with their Proprietary Fund policies and procedures.

Response: The council will take immediate action to collect these unpaid water bills.

- 06-4. The Village did not have adequate collateralization for five of its bank accounts at year end.

Recommendation: We recommend that the Village periodically inquire of the financial institutions regarding adequate coverage.

Response: The council will periodically inquire of the financial institution regarding adequate coverage.

C. Federal Award Findings and Questioned Costs

None

Village of Bienville
Summary of Prior Year Findings
For the Year Ended June 30, 2006

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

- 05-1. Actual expenditures exceeded budgeted expenditures by \$23,230 or 48% (more than 5%) for the General fund.

Conclusion: Unresolved.

- 05-2. Violation of Article VII, Section 14 of the LA Constitution of 1974 - use of public funds

Conclusion: Resolved.

- 05-3. Delinquent property tax notices and water receivables beyond the legal due dates

Conclusion: Unresolved

- 05-4. Violation of Article VII, Section 14 of the LA Constitution of 1974 - clerk not paying water bill

Conclusion: Unresolved

B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

None

C. MANAGEMENT LETTER

None

EDWARDS, WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA / Society of LCPA's

CORRECTIVE ACTION PLAN For the Year Ended June 30, 2006

Village of Bienville hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

- 06-1. See Schedule of Findings and Questioned Costs - Section B.
- 06-2. See Schedule of Findings and Questioned Costs - Section B.
- 06-3. See Schedule of Findings and Questioned Costs - Section B.
- 06-4. See Schedule of Findings and Questioned Costs - Section B.